

# North Tyneside Council Report to Cabinet 13 March 2017

**Item 6(a)**  
2016/17 Financial  
Management Report to 31  
January 2017

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<b>Portfolios:</b> Elected Mayor  Finance and Resources	<b>Cabinet Member:</b> Norma Redfearn  Councillor Ray Glindon
<b>Report from:</b> Finance	
<b>Responsible Officer:</b> Janice Gillespie, Head of Finance	<b>Tel:</b> 643 5701
<b>Wards affected:</b> All	

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## **PART 1**

### **1.1 Executive Summary:**

1.1.1 The purpose of this report is to inform Cabinet of the Authority's financial position as at 31 January 2017.

1.1.2 The purpose of this report is therefore to:

- (a) advise Cabinet of the forecast budget monitoring position for the General Fund, Housing Revenue Account and Schools' Finance as at 31 January 2017 (Annex 1, Sections 2, 3 and 4);
- (b) seek Cabinet approval for the receipt of the new revenue grants (Annex 1, Section 2, Paragraph 2.12, Table 3 and Appendix O);
- (c) advise Cabinet of the Authority's Investment Plan spend to 31 January 2017 and the financing of the Plan to the end of the year (Annex 1, Section 5); and,
- (d) seek Cabinet approval for variations of £0.368m within the 2016/19 Investment Plan (Annex 1, Section 5, Tables 4 and 5 and Paragraph 5.5).

### **1.2 Recommendations:**

1.2.1 It is recommended that Cabinet:

- (a) notes the budget monitoring position as at 31 January 2017;
- (b) approves the receipt of new revenue grants;
- (c) notes the level of spend on the Investment Plan as at 31 January 2017; and,

(d) approves variations of £0.368m within the 2016/19 Investment Plan.

### **1.3 Forward Plan**

Twenty eight days notice of this report has been given and it first appeared on the Forward Plan that was published on 28 November 2016.

### **1.4 Council plan and policy framework.**

The budget is a key strand of the Authority's Budget and Policy Framework.

### **1.5 Information - Executive Summary**

1.5.1 Annex 1 to this report sets out the budget monitoring position as at 31 January 2017. It includes forecast outturn positions for 2016/17 for the General Fund, the Housing Revenue Account, Schools' finance and the Investment Plan, including a summary of projects to be delivered during 2016/17.

1.5.2 **General Fund Revenue Account:** This is the fifth and final interim monitoring report of the year. The forecast overall pressure has reduced to £2.648m (from £3.817 reported in November's report). The main areas of spending pressures remains as reported previously to Cabinet and reflect pressures arising from demand in Adult and Children's Social Care Services, the impact of additional unfunded burdens such as the Living Wage on our care providers (and the price for services the Authority then has to pay) and the delivery of some aspects of the Creating a Brighter Future Programme. All services continue to develop and deliver actions to mitigate these financial pressures and expect the out-turn forecast continues to improve in the run up to the year end. Additional measures have been put in place to minimise non essential spend alongside ongoing reviews of demand led projections in order to reduce the over-commitment. Careful consideration has been given to the impact of these spend pressures as part of the financial planning for 2017-20.

1.5.3 **Housing Revenue Account (HRA):** The HRA is forecast to have year-end balances at 31 March 2017 of £5.053m, which is £2.137m higher than budget. The higher than forecast balances are as a result of higher opening balances due to the impact of previous years' financial performance (£0.787m). The forecast in-year is an estimated underspend of £1.350m.

1.5.5 **School finances:** This report includes an update in respect of work in progress with regard to school funding (Annex 1 Section 4).

1.5.6 **Investment Plan:** The Investment Plan for 2016-19 adjusted, as detailed Table 4 of Annex 1, is £205.707m. The report also sets out delivery progress to date and planned delivery for 2016/17.

### **1.6 Decision options:**

Cabinet may agree the recommendations as set out in Section 1.2 of this report. Alternatively Cabinet can disagree with the proposals.

## 1.7 Reasons for recommended option:

Cabinet is recommended to agree the proposals set out in section 1.2 of this report as it is important that Cabinet continues to monitor performance against the budget, especially given the current level of financial pressures faced by the public sector.

## 1.8 Appendices:

Annex 1	2016/17 Financial Management Report to 31 January 2017
Appendix A	Chief Executive's Office
Appendix B	Business and Economic Development
Appendix C	Commercial and Business Redesign
Appendix D	Corporate Strategy
Appendix E	Finance
Appendix F	Human Resources and Organisational Development
Appendix G	Law and Governance
Appendix H	Health, Education, Care and Safeguarding
Appendix I	Commissioning and Investment
Appendix J	Environment, Housing and Leisure
Appendix K	Corporate and Democratic Core
Appendix L	Housing Revenue Account (HRA)
Appendix M	2016-2019 Investment Plan variations
Appendix N	2016-2019 revised Investment Plan summary
Appendix O	In year grant changes
Appendix P	Glossary of Terms

## 1.9 Contact officers:

Janice Gillespie - Corporate Finance matters - Tel 643 5701  
Margaret Keith –Treasury Management matters - Tel 643 5747  
Cathy Davison - Investment Plan matters- Tel 643 5727  
Alison Campbell – Senior Business Partner - Tel 643 7038  
Darrell Campbell - Housing Revenue Account matters - Tel 643 7052

## 1.10 Background information:

The following background papers and research reports have been used in the compilation of this report and are available at the offices of the author:

- (a) Revenue budget 2016/17 (P)  
<http://my.northtyneside.gov.uk/sites/default/files/web-page-related-files/2016-17%20Revenue%20Control%20Budget.pdf>
- (b) Investment Plan 2016-19  
[http://www.northtyneside.gov.uk/pls/portal/NTC\\_PSCM.PSCM\\_Web.download?p\\_ID=564424](http://www.northtyneside.gov.uk/pls/portal/NTC_PSCM.PSCM_Web.download?p_ID=564424)
- (c) Reserves and Balances Policy  
[http://www.northtyneside.gov.uk/pls/portal/NTC\\_PSCM.PSCM\\_Web.download?p\\_ID=564080](http://www.northtyneside.gov.uk/pls/portal/NTC_PSCM.PSCM_Web.download?p_ID=564080)

## **PART 2 – COMPLIANCE WITH PRINCIPLES OF DECISION MAKING**

### **2.1 Finance and other resources**

As this is a financial report, implications are covered in the body of the report and Annex 1. This report will also be presented to the Authority's Finance Sub-Committee at its meeting on 22 March 2017.

### **2.2 Legal**

The Authority has a duty to ensure it can deliver a balanced budget. The Local Government Act 2003 imposes a duty on an authority to monitor its budgets during the year and consider what action to take if a potential deterioration is identified.

### **2.3 Consultation/community engagement**

#### **Internal consultation**

Internal consultation has taken place with the Cabinet Member for Finance and Resources, the Elected Mayor, the Deputy Mayor, the Senior Leadership Team and Senior Finance Officers.

#### **Community engagement**

The 2016/17 budget was completed after widespread consultation in line with the Authority's approved Budget Engagement Strategy. Appendix E of the 2016/17 Financial Planning and Budget Process report to Council on 4 February 2016 provides details of the consultation.

### **2.4 Human rights**

The proposals within this report do not have direct implications in respect of the Human Rights Act 1998.

### **2.5 Equalities and diversity**

There are no direct equalities and diversity implications arising from this report.

### **2.6 Risk management**

Potential future financial pressures against the Authority are covered in this report and registered through the Authority's risk management process.

### **2.7 Crime and disorder**

There are no direct crime and disorder implications arising from this report.

### **2.8 Environment and sustainability**

There are no direct environmental and sustainability implications arising from this report.

**PART 3 - SIGN OFF**

- Deputy Chief Executive  x
- Head of Service  x
- Mayor/Cabinet Member(s)  x
- Chief Finance Officer  x
- Monitoring Officer  x
- Head of Corporate Strategy  x

# **2016/17 Financial Management Report to 31 January 2017**

<b>Section</b>	<b>Page</b>
<b>1. Executive Summary</b>	<b>3</b>
<b>2. General Fund Income and Expenditure</b>	<b>6</b>
<b>3. Housing Revenue Income and Expenditure</b>	<b>12</b>
<b>4. Schools Finance</b>	<b>13</b>
<b>5. Investment Plan Expenditure and Financing</b>	<b>14</b>
<b>Appendices:</b>	
Appendix A	Chief Executive's Office
Appendix B	Business and Economic Development
Appendix C	Commercial and Business Redesign
Appendix D	Corporate Strategy
Appendix E	Finance
Appendix F	Human Resources and Organisational Development
Appendix G	Law and Governance
Appendix H	Health, Education, Care and Safeguarding
Appendix I	Commissioning and Investment
Appendix J	Environment, Housing and Leisure
Appendix K	Central Items
Appendix L	Housing Revenue Account
Appendix M	2016-19 Investment Plan variations
Appendix N	2016-19 revised Investment Plan
Appendix O	In year grant changes
Appendix P	Glossary of Terms

## Section 1.0 Executive Summary

### Summary

- 1.1 This is the fifth report to Cabinet for 2016/17, setting out the Authority's financial position as at the 31 January 2017.
- 1.2 This report includes details of the forecast outturn position to the 31 March 2017, highlighting key strategic issues to be managed by the Authority during the year.

### Strategic Management of the Council's Budget

- 1.3 The budget for 2016/17 was approved by full Council at its meeting of 18 February 2016. The net General Fund revenue budget was set at £153.945m, this included CBF savings (Creating a Brighter Future Programme) of £15.757m to be achieved.
- 1.4 The Investment Plan for 2016-19 was approved at £188.432m (£91.871m for 2016/17). Further changes have been reported through Cabinet giving a revised 2016-19 Investment Plan of £205.339m (£77.647m for 2016/17).
- 1.5 This is the fifth monitoring report for 2016/17 and reflects a prudent estimate of the forecast outturn at the end of the financial year. There has been some improvement in the risks associated with the delivery of the 2016/17 budget and the headline pressure has improved to a £2.648m overspend. The over commitment continues to be driven by the factors reported previously with the main elements being listed below:
  - Living Wage £2.300m (in excess of the contingency provision), this is the current estimate based on negotiations with Social Care providers and the forecast outturn assumes use of reserves to support this in year pressure;
  - Demand Pressures £2.231m (in excess of the contingency provision), this is largely as a result of high cost packages for Looked After Children including the costs of young people who are leaving the care system, and Adults with learning disability coming into the system late in 2015/16. Work is in progress to ensure that the assumptions driving the demand pressures are aligned to the actions/plans included in the Creating a Brighter Future Programme in order to manage down this pressure (further details are set out in section 2 paragraph 2.8), these pressure are in line with those seen in authorities across the region and nationally;
  - Efficiency savings not yet confirmed £0.998m: The scale of the financial challenge for the year meant that wide ranging efficiencies and service reconfiguration were required to be implemented during 2016/17. These savings are monitored as part of the overall financial position of the Authority so the bottom line financial position is known. It is important that these savings are only considered to be achieved once they are assessed as being realisable. There remain risks associated with some of the projects in the plan. The expectation is that the majority of the savings will be delivered as plans are in place but the position will continue to be closely monitored throughout the year; and,
  - Financial pressures within the North Tyneside Clinical Commissioning Group (NTCCG) are forecasted to have an impact on the position of the



Authority. The NTCCG ended 2015/16 with a deficit of over £19m. The underlying causes have been identified as a combination of issues including an increased number of patients attending local hospitals and receiving care, which is higher than other areas nationally, and a growing elderly population who need additional community-based care for complex health needs. The CCG has developed a financial recovery plan and aspects of this plan impact on the services delivered by the Authority. This has been evident in relation to complex clients where the Authority and the CCG jointly fund packages of care and in relation to Mental Health Aftercare services where the CCG has proposed alternatives to the historic 50/50 split of funding responsibility. The CCG has also been reviewing Intermediate Care services and funding to support the overall infrastructure of community based Mental Health services. The Authority is continuing to work closely with the CCG to ensure that services for vulnerable residents are maintained.

- 1.6 Actions being taken to mitigate the in-year pressure include:
- ongoing consideration of non essential spend;
  - an ongoing review of all demand led projections; and,
  - an ongoing review of Investment Programme delivery, including the impact on cash flow and resulting cost of borrowing arising from the reprogramming included in this report.
- 1.7 The Housing Revenue Account (HRA) is forecasting an under spend of £1.350m for the year.
- 1.8 In the period to 31 January 2017, the level of capital spend posted within the General Ledger was £43.423m, which represents 58.25% of the revised Investment Plan for the year, with the majority of the plan being delivered on track. Potential reprogramming of £5.600m has also been identified, although, due to the budget process, the Investment Plan will not be adjusted to reflect this at this stage. The estimated financing of the 2016/17 Investment Plan includes capital receipts of £0.523m for the General Fund. Of this £0.388m has already been secured leaving a balance of £0.135m still to be generated over the rest of the year.
- 1.9 As Cabinet are aware the Authority received a dividend of £2.697m from the Airport as part of the Airport refinancing. At this stage it is proposed to hold this in a reserve.

### **Implications for 2017/18 and Following Years**

- 1.10 It is important that information in this report is taken into account as part of the planning process for 2017/18 and future years. The main issues identified in 2016/17 that have been considered in forward financial planning are as follows:
- Living Wage: as noted in paragraph 1.5 we are seeing significant pressure with regard to Social Care budgets arising from additional costs that contracted providers are seeking from the authority;
  - CBF Programme - as noted in the report (paragraphs 1.5), consideration needs to be given to the impact of any CBF saving not being achieved and actions required to secure savings into 2017/18;
  - Demand led pressures - in areas such as Looked after Children and Learning Disabilities & Mental Health;

- The implications for this authority of the CCG's financial recovery plan, and;
- Use of Reserves – currently the 2016/17 budget includes the planned use of reserves of £2.001m. The current forecast for 2016/17 also assumes use of £2.300m to contribute towards the pressures arising from the National Living Wage. Consideration also needs to be given to the potential impact of a further call on the Strategic Reserve should there be no improvement in the General Fund revenue position for this financial year.

**Section 2.0**  
**General Fund Income and Expenditure**

- 2.1 This section of the report details the current budget pressures and the expected year-end outturn following mitigating actions taken to reduce those pressures. Table 1 summarises the position and reflects an in year pressure of £2.698m, an improvement of £1.119m compared to the pressure of £3.817m reported in November.
- 2.2 Budget monitoring is based on the recorded transactions as at 31 January 2017 and is set out in Table 1 below. Table 1 is supplemented by a summary commentary below, covering the key variances by Service. The detailed **Appendices (A - K)** set out variations by Service Area within the Services.

**Table 1: 2016/17 General Fund Revenue Budget Forecast to 31 March 2017**

		Full Year Budget	Forecast Outturn	Forecast Outturn Variance Jan 2017	Forecast Outturn Variance Nov 2016
	Appendix	£m	£m	£m	£m
<b>Services</b>					
Chief Executive Office	A	0.514	0.526	0.012	0.019
Business and Economic Development	B	1.531	1.455	-0.076	-0.014
Commercial and Business Redesign	C	6.813	6.940	0.127	0.121
Corporate Strategy	D	1.946	1.959	0.013	0.049
Finance	E	3.643	4.411	0.768	0.786
Human Resources and Organisational Development	F	2.264	2.424	0.160	0.160
Law and Governance	G	2.992	3.077	0.085	0.077
Health, Education, Care and Safeguarding	H	64.924	72.754	7.830	7.303
Commissioning and Investment	I	22.460	22.996	0.536	0.582
Environment, Housing and Leisure	J	41.185	41.967	0.782	0.919
Central Items	K	7.412	2.123	-5.289	-3.885
<b>Sub Total - Service- Approved Budget</b>		<b>155.684</b>	<b>160.682</b>	<b>4.948</b>	<b>6.117</b>
Support Services		-1.739	-1.739	0.000	0.000
Transfer from reserves		<b>0.000</b>	<b>-2.300</b>	<b>-2.300</b>	<b>-2.300</b>
<b>Net forecast pressure/(surplus) after exceptional items</b>		<b>153.945</b>	<b>156.643</b>	<b>2.648</b>	<b>3.817</b>

## Services

2.3 The main variations are set out in detail below.

2.4 **Commercial and Business Redesign** has a forecast pressure of £0.127m. This is due to supplies and services costs within ICT mainly relating to the delivery of automated customer contacts and internet connectivity. The full analysis of the service's forecast position is included as **Appendix C**.

2.5 There is an over spend within the **Finance** service of £0.768m. This is due to a combination of factors outlined below;

- An unresolved CEI target for additional Business Partnership savings of £0.545m. Work continues to agree and develop target savings;
- Pressure within Revenues and Benefits of £0.178m as a result of an assumed bad debt provision which has decreased by £0.012m since November.

Further details are shown in **Appendix E**.

2.6 There is a pressure of £0.160m within **Human Resources and Organisational Development**. This is as a result of costs of staff transferred back from ENGIE in 2015/16, vacancies running below budgeted levels and temporary posts supporting transformation projects. Further details are shown in **Appendix F**.

2.7 The **Law and Governance** Service is showing a pressure of £0.085m arising mainly from staffing pressures in Governance and Information Governance and from the retention of the courier service. These pressures have been partially mitigated by an improved forecast position in relation to the Coroner Services and Registrar Services. Further detail is shown in **Appendix G**.

2.8 The most significant area of pressure across the Authority is within **Health, Education, Care and Safeguarding** which is reporting a forecast over spend of £7.830m which has increased by £0.527m from the reported position of £7.303m in November. In addition to its normal complex budget management, the Service has been required to deal with a combination of demand led pressures and national policy changes such as cost increases resulting from the National Living Wage and reduced income from the NHS largely as a result of the ongoing deficit position of the North Tyneside Clinical Commissioning Group (NTCCG).

The main factor behind the increased forecast is expected increased third party payments in relation to fee rates for care homes. In addition, there has been a return to an increasing overall trend in the numbers of Looked After Children. This has combined with the ongoing pressures in the workforce arising from staff turnover and associated recruitment. A full breakdown of this service's forecast position is shown in **Appendix H**.

Services for adults with a Learning Disability or Mental Health need are showing a pressure of £3.886m in 2016/17. This area has been subject to historic demand led pressure and is forecasting new, external placement costs totalling £1.7m across 2015/16 and 2016/17 as a result of transition cases and clients discharged from long stay hospitals under the Winterbourne guidelines. A contingency budget of £1.000m has been applied to offset this. There are

additional cost pressures of £1.900m anticipated as a result of care fee increases brought about by the new National Living Wage. A contingency budget of £0.500m has been applied to mitigate this and it is assumed at this stage that the remaining £1.400m pressure relating to the National Living Wage will be met in-year by a transfer from reserves. The Service is urgently reviewing all aspects of delivery to identify areas where further savings can be achieved. .

Even after applying contingency budget of £2.000m there continues to be a significant pressure of £2.361m in the area of Corporate Parenting and Placements. This Service Area captures a spectrum of provision to meet each individual child's needs, ranging from adoption, foster care, our own North Tyneside residential provision to the most costly individual placements made out of borough. There is over a 20% increase in child protection work which is in line with increases being seen across the country. Savings targets of £0.886m have been applied to this Service Area. The position has worsened by £0.419m since the last report as a result of additional staffing costs of £0.143m and additional placement costs, net of CCG income, totalling £0.276m.

The overall number of Looked After Children (LAC) had reduced significantly during the year compared to April 2015 but numbers have now started to rise despite the best efforts of the service to meet needs by a range of alternative interventions. The Service has been continually reviewing these placements and has been working hard to reduce costs and find suitable alternatives, however many children are at critical stages in their education and it is often not appropriate to disrupt settled arrangements.

Table 2 below provides more detail on the movements in numbers of LAC and the associated costs;

**Table 2: Movement in numbers of LAC giving rise to increased costs**

<b>Placement Type</b>	<b>No of LAC at Apr 2015</b>	<b>No of LAC at Nov 2016</b>	<b>No of LAC at Jan 2017</b>	<b>Average Cost of Placement £m</b>	<b>Pressure at Nov 2016 £m</b>	<b>Pressure at Jan 2017 £m</b>
External Residential	15	17	15	£0.167	£2.397	£2.527
External Fostering	19	27	29	£0.041	£0.539	£0.591
Internal Fostering	208	190	189	£0.016	£0.199	£0.190
Supported Residence	16	15	10	£0.071	£0.345	£0.326
Other *	42	27	44	Various	(£0.048)	(£0.043)
<b>Total LAC</b>	<b>300</b>	<b>276</b>	<b>287</b>		<b>£3.432</b>	<b>£3.591</b>
Leaving Care Post 18	60	53	53	Various	£0.430	£0.390
Special Guardianship Orders	71	95	90	Various	£0.169	£0.158
Contingencies					(£2.000)	(£2.000)
CCG Income						(£0.170)
Assumed savings					(£0.473)	(£0.135)
<b>Net</b>					<b>£1.558</b>	<b>£1.834</b>

\*Other includes Placed for Adoption, Placed with Parents/Parental Responsibility and NTC Children's Homes.

The overall pressure of £2.361m, includes the following items in addition to the placement overspend of £1.834m outlined above;

- A payment of £0.182m to support the Child and Adolescent Mental Health Service (CAMHS). The Council has served notice to end this contribution in 2017/18
- The service area is now reporting an additional pressure of £0.495m arising from an increased need to use agency staff to cover vacancies within Social Work teams and Senior Management
- These pressures have been partly mitigated in year by a one-off contribution of £0.150m from the ring-fenced Public Health grant supporting activity in line with Public Health outcomes.

Services for older people and younger adults with a physical disability are showing a pressure of £1.606m. This has worsened by £0.347m since the November report as a result of increased third party payments. This Service Area has been subject to significant care fee increases as a result of the National Living Wage with estimated additional costs of £1.700m. A contingency budget of £0.500m has been applied to partially mitigate the impact of the National Living Wage increases. It is anticipated that pressure of £0.900m resulting from the National Living Wage will be met in-year by a transfer from reserves. There has also been a reduction in NHS income supporting these clients of £0.382m as the NTCCG implements its recovery plan. Pressures are partially offset by effective demand management continuing into 2016/17 with older people being supported to remain at home where possible.

This Service Area is planning to deliver savings of £1.175m however there is concern about delivery of an income target of £0.900m in relation to the management of Continuing Healthcare on behalf of the CCG and it is considered prudent to forecast this saving as unachieved.

There are also pressures within the following service areas:-

- £0.271m within Integrated Disability and Additional Needs due to a £0.079m forecast staffing pressure, £0.118m pressure on service user packages and £0.074m income target shortfall. There has been an improvement in the position since November of £0.167m as a result of additional health income for a child with complex needs.
- Employment and Skills is showing a pressure of £0.114m due to a shortfall of grant income to meet historic targets for contributions to service overheads amounting to £0.164m. This pressure has been partly offset by a reduction in a regional hub contract payment of £0.027m. Options are currently being explored around the renegotiation of service level agreements with schools and the Service Area has been successful in agreeing additional income from the Learning Trust. A review is in progress to establish the appropriate staffing structure to deliver agreed service levels.
- Integrated Services is showing a pressure of £0.160m. There are pressures within Loan Equipment totalling £0.470m and reduced NHS income of £0.100m as a result of the NTCCG implementing its Financial Recovery Plan. Pressures are partially offset by staffing savings across the service.

2.9 The **Commissioning and Investment** Service is reporting a forecast pressure this year of £0.536m.

Facilities and Fair Access is showing a pressure of £0.191m including the Cleaning Service which transferred back to the Authority from Capita with a pressure of £0.091m. Home to School Transport is showing a pressure of £0.120m. Staff are working to restructure routes to reduce costs in addition to exploring alternative ways to deliver these services. These pressures are partially offset by an improved performance from the Catering Service.

Property related pressures are forecast to be £0.179m following the transfer of Cleaning Services. Remaining pressures are linked to operational buildings (rentals) with a smaller element linked to the Commercial Estate. The Council is currently in negotiation with Capita to determine how these risks will be managed moving forward.

There is also a staffing pressure of £0.056m in the Commissioning service and a pressure of £0.074m in Procurement relating to rebate income.

A full analysis is included as part of **Appendix I**.

2.10 **Environment, Housing and Leisure** is reporting a pressure of £0.782m which is an improvement of £0.137m on the position reported for November.

There are total estimated pressures of £0.556m within the Street-lighting PFI budget which has improved by £0.145m since the last report. The energy cost forecast has reduced to show a pressure of £0.327m with the remaining pressure being costs owed to the PFI provider SSE totalling £0.229m as part of the final commercial settlement, where additional potential costs to the authority have been successfully removed.

There are pressures totalling £0.419m relating to libraries and community centres where energy and rates costs, cleaning costs, shortfalls against rental income and Libraries ICT costs are the main concerns. The Service is continuing to actively review its supplies and services expenditure plans to eliminate any discretionary spend.

There are pressures totalling £0.101m within Arts, Tourism and Heritage services, mainly reflecting lower than anticipated ticket sales income from the Mouth of the Tyne Festival last summer.

Sport and Leisure is showing an over spend of £0.281m, due mainly to energy and rates costs and staffing backfill costs.

Security and Community Safety and Bereavement are showing a pressure of £0.124m and £0.074m respectively due mainly to shortfalls in income. There has been a sharp decline in forecast cremation income which has now returned to 2013/14 levels.

Pressures are offset by under spends within Fleet (£0.555m), Transport and Highways (£0.261m) and Street Environment (£0.110m).

The full analysis is included as part of **Appendix J**.

2.11 There is an under spend on Central Items of £5.123m which has improved by £1.238m since the report on the November position. This is due to a combination of factors with the main issues outlined below;

- (a) A forecast saving in Minimum Revenue Provision (MRP) of £0.769m primarily as a result of re-programming during 2015/16;
- (b) An anticipated saving of £5.080m in relation to interest charges reflecting 2015/16 reprogramming, the level of temporary borrowing currently held and the continuation of internal borrowing. This has improved by £0.942m since the November report;
- (c) £1.640m pressure arising mainly with regard to a prudent view that the savings from the Customer Journey project will not be achieved in full during 2016/17. The project is moving forward however further work is required to confirm the level of savings that will be achieved during 2016/17;
- (d) The uncommitted contingency budget of £0.702m is shown as an under spend;
- (e) £0.100m pressure relating to the provision for bad debt;
- (f) A new dividend of £0.250m from Kier North Tyneside.

As part of the recent Airport re-financing the authority received a dividend of £2.697m, this has been transferred to a reserve.

Further details are shown in **Appendix K**.

2.12 The following table sets out a summary of revenue grants, which Cabinet are requested to approve, that have been awarded during December 2016 and January 2017. The details of these grant changes are set out in **Appendix O**. Any new capital grants are included in the capital variations (Tables 4 and 5) of this report.

**Table 3: 2016/17 Revenue Grants awarded during December 2016 and January 2017**

Service	Amount £m
Health Education Care and Safeguarding	0.006
Law and Governance	0.010
<b>Total</b>	<b>0.016</b>



## Section 3.0 Housing Revenue Account Income and Expenditure

- 3.1 This section of the report provides an update on the financial position for the Authority's Housing Revenue Account (HRA). The forecast year-end position and variance analysis for January 2017 is attached as **Appendix L** to this report.
- 3.2 On the 14 January 2016 Cabinet approved the HRA budget for 2016/17 including a reduction in housing rents of 1%, in line with the Government's requirements contained in the Welfare Reform and Work Act 2016..
- 3.3 The HRA started the year with opening balances £0.787m higher than anticipated i.e. £4.388m as opposed to the budgeted figure of £3.601m, and the in-year position is now forecast to be £1.350m better than budgeted.
- 3.4 The main forecast variations against budget are an overachievement in relation to rent and service charge income projections (£0.597m), which has been enhanced by increased commercial and other rental income (£0.019m), significant savings from continuation of the policy around debt, i.e. to borrow short-term and re-finance long-term as late in the year as possible to realise in-year savings (£0.550m), this is partially offset by increased management costs (£0.061m), linked mainly to the North Tyneside Living PFI scheme where project delivery has led to higher than anticipated levels of Council Tax Void charges, and increased legal costs relating to disrepair claims set against anticipated savings from contingency, bad debt provision and transitional protection budgets (£0.230m).

**Rent and Service Charge Income** – overall projecting £0.597m better than budget, mainly due to Rental and Service Charge income – still forecasting strong performance mainly around furniture packs. In addition rental income from council dwellings and temporary accommodation is also forecast to outperform budget assumptions. This performance will need to continue to be closely monitored pending proposed changes to benefits proposed by Government under recent legislation. Garage rent income is performing slightly below budget following rebasing as part of the budget setting process.

**Capital Financing Charges** – Consistent with the General Fund position, the approach to pursue the policy of taking advantage of the current low trends in interest rates has continued. In addition, due to the additional debt set aside realised in 2015/16 as a result of RTB sales and the budgeted debt set aside the first loan maturing in-year (HRA share £5.337m) did not need re-financing, saving the HRA over £0.100m per annum. It is estimated that the combination of these approaches will save the HRA at least £0.550m in interest charges in 2016/1.

**Management Costs** – forecast variance of a £0.061m overspend due mainly to an increase in the anticipated level of in-year Council Tax Void payments because of the revised delivery programme for the North Tyneside Living PFI project (£0.059m), along with an unexpected sharp increase in the levels of legal costs linked to disrepair claims (£0.080m). This is offset by anticipated reduced spend on utility costs within the PFI schemes, along with vacancy savings, which when added to a range of small under and over-spends across other budget heads leads to the current forecast position.

<b>Section 4.0 Schools Finance</b>
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**2016/17 School budgets**

- 4.1. Budget monitoring has been completed with schools for the Autumn term and is currently underway for the Spring term, with a particular focus on the eight schools with approved deficits for the year. Additional monitoring visits have been agreed with these schools and will be carried out this term to confirm that schools are managing within the approved budgets.
- 4.2. Overall monitoring of the maintained schools in the borough shows, to date, that the vast majority of schools are broadly performing in line or better than their original budget plans.
- 4.3. There have been some improved forecasts, especially in relation to the schools with approved deficit budgets. The completed forecast for the Autumn term shows that the eight schools are expected to show an outturn of £4.682m compared to the approved deficits of £4.809m.
- 4.4. A sub-group of Schools Forum is meeting at the end of February to consider how the allocation of headroom funding (support to the schools with approved deficit budgets) and falling rolls funding (support to school with exceptional pupil reductions) should be allocated.
- 4.5. The final allocations will be taken to the May Schools Forum meeting as the final headroom allocation will only be made once the year end position is known for each school. For information, it is expected that the headroom funding will improve the deficit schools forecast position, with a budget of £0.196m available for allocation.

**2017/18 Dedicated Schools Grant**

- 4.6. As outlined in the Authority's Financial Planning and Budget Process papers to Cabinet and Council, the estimated DSG for 2017/18 is £145.83m. Schools Forum met on 11 January 2017 to agree the allocation of the Schools Block budget, resulting in the submission to the Education Funding Agency (EFA) of the overall schools formula on 20 January 2017. Schools received their draft Individual School Budget on the 30th January which is a month earlier than required by the EFA.
- 4.7. At the meeting on 11 January 2017, the Schools Forum also agreed the formula to be used for the Early Years and agreed to transfer funding of £0.327m to the High Needs Block to address forecasted pressures in 2017/18. The budgets for Special Schools are under review at present and when the final information is received from the EFA in March, the Schools will be notified of their budgets for next financial year.
- 4.8. The National Funding Formula Stage Two consultation for the Schools Block and High Needs Block was published on 14 December 2016. Responses are due by 22 March 2017. A response will be agreed by Schools Forum in March. It is proposed that the Authority will also separately submit its views.

<b>Section 5.0</b> <b>Investment Plan Expenditure and Financing</b>
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### **Review of Investment Plan - Position Statement**

- 5.1 The Authority's Investment Plan represents the capital investment in projects across all service areas.

### **Investment Plan Delivery**

- 5.2 Some of the key highlights of the Investment Plan due to be delivered during 2016/17 are summarised below:

#### **Affordable Homes New Build and Conversion Works:**

Included on this Cabinet Agenda is an update report on the delivery of Affordable Homes, setting out details of progress, set out below are details of the 3 projects that will complete during 2016/17;

- The demolition of Alexandra Street and the former Police Station to construct 41 new units in Wallsend Town Centre. All work was completed in June 2016 (phased completion);
- The conversion of Bedford Avenue Shops into 5 new affordable homes. All work was completed in November 2016; and,
- The conversion of a former respite facility at West Farm Road, Howdon to provide 24 hour supported living care provision.

In addition to these projects there will be a number of other schemes progressed through the design, planning and procurement process with some physical starts on site during 2016/17 that will subsequently complete in future financial years.

#### **Housing Investment Work:**

The Housing Capital delivery programme will see the following works delivered across the borough during 2016/17:

- Kitchens and bathrooms to 566 homes;
- Heating upgrades to 800 homes;
- Boundary improvements to 714 homes;
- External refurbishment to 1,869 homes;
- Roof replacements to 336 homes;
- External works to 210 homes; and,
- Insulation / Structural works to 119 Non-traditional homes

#### **Education Investment Works:**

- Delivery of an initial 28 priority condition related projects across the school estate; and,
- Priority Schools Building Programme (Off Balance Sheet):
  - The external works for the new build Whitehouse Primary School and associated demolition of the former School building have now been fully completed.

- The new build projects for both Longbenton and Marden High Schools were completed at end of August 2016. Works have now commenced on the external works and demolition of the 'old' school buildings.
- The new build project for John Spence High School has now completed and was officially handed over on 31 October 2016. Works have commenced on the demolition of the original main school building and establishment of new external playing facilities.
- Finalise solution and establish timescales for development works at Cullercoats Primary School. A meeting was held with the Education Funding Agency (EFA) in July 2016 to further review and discuss the design solution for this project. The Council (January 2017) have now received notification from the EFA that the solution for this project will be a refurbish programme rather than new build. The details of the refurbishment works and associated timescales are still to be confirmed although it was previously suggested that works would likely commence October 2017.

### **Highways and Infrastructure Works**

- Ongoing delivery of the Local Transport Plan resurfacing programme and additional Highway Maintenance projects;
- A1058 Coast Road Improvements – Completion of Phase 1 (Beach Road widening) July 2016 and completion of Phase 2 (signalisation of Billy Mill roundabout) expected by end of February 2017 (on time and on budget). Award of contract for Phase 3 Norham Road Bridge;
- Completion of redesign and new planning application for Phase 2 of Central Promenade Reconstruction Scheme following a value for money exercise;
- Completion of the A191 Tyne View Park major highways scheme (August 2016);
- Construction of the A1056 Weetslade / Indigo Park major highways scheme from May 2016 with expected completion June 2017 (on time and on budget);
- A19 Employment Corridor Access improvements (Cobalt/ Holystone roundabout). Utility diversions complete. Main works have commenced with road widening at Holystone roundabout and are progressing well (scheme on time and on budget); and,
- Construction of major drainage improvements at Monkseaton and Shiremoor

### **Regeneration Works**

- Spanish City Dome; the permission to start from HLF was granted in September. The enabling works package is largely completed. The scaffolding has now been removed leaving the Dome first floor open for the first time since 1914. Other works including the removal of the concrete roof above the retained shop wing is continuing, openings which are no longer required are being bricked up, the remaining shop fronts have been removed;
- Hotel adjacent to the Dome: The hotel and restaurant are progressing very well, the timber frame of the hotel was completed prior to Christmas and external brickwork is now also nearing completion. The work to construct the adjacent restaurant is also progressing well and both remain on programme to be completed and open in Spring 2017;

- Public realm work on Northern Promenade from Watts Slope to Rendezvous is also progressing on site and is due to be completed in late summer 2017; and,
- Phase 2 of dredging at Swans has been completed together with Infrastructure works and further refurbishment of the Swans Quay.

## ICT Works

### BDUK (broadband)

- BT have now provided initial High Level delivery plan
- 85 BT cabinets in scope affecting 9,000 premises.
- 62 of these in the first phase July to December 2016
- Updated forecast is that by the end of the roll out (2017/18), NTC will have 100% superfast broadband coverage. This will be the best in the North East Region.

## Variations to the 2016-19 Investment Plan

- 5.3 As part of the regular capital monitoring process during December 2016 and January 2017 there has been £0.368m variations reported. Potential reprogramming of £5.600m has also been identified but the Investment Plan has not been adjusted at this stage due to the setting of the 2017-20 Investment Plan. This reprogramming will be reported as part of the outturn report to Cabinet.

Table 4 details the changes to the approved 3-year Investment Plan, as agreed at Council on 18 February 2016.

**Table 4: 2016 - 19 Investment Plan changes identified**

	2016/17 £m	2017/18 £m	2018/19 £m	Total £m
<b>Approved Investment Plan – Council 18 February 2016</b>	<b>91.871</b>	<b>56.027</b>	<b>40.534</b>	<b>188.432</b>
<b>Previously Approved Reprogramming/Variations</b>				
Cabinet 13 June 2016	13.634	0	0	13.634
Cabinet 11 July 2016	(3.049)	1.208	2.199	0.358
Cabinet 12 September 2016	(9.163)	12.726	(0.698)	2.865
Cabinet 14 November 2016	(15.646)	15.696	0	0.050
Cabinet 16 January 2017	(3.779)	3.704	0.075	0.000
<b>Approved Investment Plan – Cabinet 16 January 2017</b>	<b>73.868</b>	<b>89.361</b>	<b>42.110</b>	<b>205.339</b>
December/January Reprogramming	0	0	0	0
December/January Variations	0.368	0	0	0.368
<b>Revised Investment Plan</b>	<b>74.236</b>	<b>89.361</b>	<b>42.110</b>	<b>205.707</b>

5.4 The variations on the individual schemes are shown in **Appendix M**. **Appendix N** details the whole of the revised Investment Plan, taking into account the reported changes.

**Details of changes to the 2016-19 Investment Plan**

5.5 Total variations to the end of January 2017 of £0.368m have been identified. The details of the changes are shown below:

- (a) **CO073 Housing & Technology for People with Learning Disabilities £0.238m** – Following a successful bid for funding, the authority has been awarded a total of £0.528m for refurbishment work to buildings and the installation of assistive technology. Project CO073 relates to the assistive technology element of the grant. The refurbishment work is included in the Housing Revenue account, see 5.5(b);
- (b) **HS004 New Build £0.130m** – A total grant of £0.290m for refurbishment works to buildings for people with learning disability has been awarded. This is split over two financial years £0.130m in 2016/17 for works to West Farm Avenue and £0.160m in 2017/18 for Edwin Grove. The 2017/18 element has been reported in the 2017-2020 financial planning and budget process; and,
- (c) **IT026 ICT Citizen Interaction and Self Serve £0.366m** - Microsoft Office 365 is being introduced as part of this project which will replace Open Text and be used as the authority’s EDRMS. To reflect this the following budgets require realignment:
  - **IT020 ICT Strategy £0.100m credit** – This reflects the reduced costs as the cost of licences will be included in the ENGIE contract;
  - **IT024 EDRMS £0.144m credit** – balance of budget remaining;
  - **GEN03 Contingencies £0.122 credit** - This represents the budget on IT021 Customer Relationship Management which was transferred into the Contingencies budget.
- (d) **ED075 Devolved Formula £0.070m and ED120 Basic Need £0.070m credit** – A transfer of £0.070m is required to fund costs of works at Silverdale.

Details of all the variations are shown in **Appendix M**

5.6 The impact of these changes on Capital Financing is shown in Table 5 below.

**Table 5: Impact of variations on Capital financing**

	2016/17 £m	2017/18 £m	2018/19 £m	Total £m

<b>Approved Investment Plan – Cabinet 16 January 2017</b>	<b>73.868</b>	<b>89.361</b>	<b>42.110</b>	<b>205.339</b>
Council Contribution	0	0	0	0
Grants and Contributions	0.368	0	0	0.368
<b>Total Financing Variations</b>	<b>0.368</b>	<b>0</b>	<b>0</b>	<b>0.368</b>
<b>Revised Investment Plan</b>	<b>74.236</b>	<b>89.361</b>	<b>42.110</b>	<b>205.707</b>

### Capital Receipts – General Fund

- 5.7 There were no General Fund Capital Receipts brought forward at 1 April 2016. All receipts received in 2015/16 were applied to finance capital expenditure. This included additional receipts received of £0.892m that were over and above the revised figure for receipts required during 2015/16. This effectively meant that unsupported borrowing could be deferred until 2016/17 as the extra receipts were, temporarily, used in its place.
- 5.8 The capital receipts requirement for 2016/17 approved by Council on 18 February 2016 was £1.415m (£1.795m for 2016-19). This has been reduced by £0.892m receipts received in 2015/16, described in paragraph 5.7 above, to give a revised capital receipts requirement for 2016/17 of £0.523m.
- 5.9 To date, £0.388m receipts have been received in 2016/17. This leaves a balance of receipts to be generated for the General Fund of £0.135m as shown in table 6 below.

**Table 6: Capital Receipt Requirement – General Fund**

	General Fund 2016/17 £m
Requirement reported to 18 February 2016 Council	1.415
Variation to reflect additional receipts received in 2015/16	(0.892)
<b>Revised Requirement</b>	<b>0.523</b>
Useable Receipts Brought Forward	0
Useable Receipts Received	(0.388)
<b>Balance to be generated</b>	<b>0.135</b>

### Capital receipts – Housing

- 5.10 Housing Capital Receipts brought forward at 1 April 2016 were £4.475m. The Housing receipts are committed against projects included in the 2016-19 Investment Plan.
- 5.11 The approved Capital Receipt requirement for 2016/17 was £0.132m. This, together with the reprogramming reported to 13 June 2016 Cabinet gives a requirement of £1.004m. To date, £4.616m receipts have been received in 2016/17 of which £1.357m has been be pooled as part of the quarterly returns

to Central Government. In total, subject to future pooling, this leaves a surplus balance of £6.730m to be carried forward to fund future years.

**Table 7: Capital Receipt Requirement 2016/17 - Housing**

	Housing £m
Current Requirement	1.004
Receipts Brought Forward	(4.475)
Receipts Received	(4.616)
Receipts Pooled to Central Government	1.357
<b>Surplus Balance to fund future years (subject to further pooling)</b>	<b>(6.730)</b>

5.12 The final figure for useable receipts and pooled receipts in year will depend on the final number of Right to Buy properties sold during 2016/17.

#### **Investment Plan Monitoring Position to 31 January 2017**

5.13 Actual expenditure in the General Ledger was £43.423m (58.25%) of the total revised Investment Plan as at 31 January 2017.

**Table 8: 2016/17 Total Investment Plan Budget and Expenditure to 31 January 2017**

	2016/17 Revised Investment Plan £m	Actual Spend to 31 January 2017 £m	Spend as % of Total Revised Capital Budget %
General Fund	50.838	27.429	53.95
Housing	23.398	15.994	68.36
<b>TOTAL</b>	<b>74.236</b>	<b>43.423</b>	<b>58.25</b>



BUDGET MONITORING 2016/17 - FORECAST OUTTURN AS AT 31 JANUARY 2017

	Expenditure			Income			Total Net			Comments	Variance Nov 16 £000
	Budget	Forecast	Variance	Budget	Forecast	Variance	Budget	Forecast	Variance		
	£000	£000	£000	£000	£000	£000	£000	£000	£000		
<b>CONTROLLABLE ITEMS</b>											
Chief Executive	236	271	35	0	0	0	236	271	35		35
Deputy Chief Executive	278	255	-23	0	0	0	278	255	-23		-16
<b>Total Controllable Items</b>	<b>514</b>	<b>526</b>	<b>12</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>514</b>	<b>526</b>	<b>12</b>		<b>19</b>
Capital Charges	0	0	0	0	0	0	0	0	0		0
<b>Total Chief Executive</b>	<b>514</b>	<b>526</b>	<b>12</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>514</b>	<b>526</b>	<b>12</b>		<b>19</b>

## BUDGET MONITORING 2016/17 - FORECAST OUTTURN AS AT 31 JANUARY 2017

	Expenditure			Income			Total Net			Comments	Variance Nov 16 £000
	Budget	Forecast	Variance	Budget	Forecast	Variance	Budget	Forecast	Variance		
	£000	£000	£000	£000	£000	£000	£000	£000	£000		
<b>CONTROLLABLE ITEMS</b>											
Regeneration	729	687	-42	-375	-352	23	354	335	-19		-14
Business & Enterprise	1,209	1,186	-23	-308	-336	-28	901	850	-51	The underspend is attributable to a reduction in the forecast expenditure on Business Development.	6
Resources & Performance	153	145	-8	-2	0	2	151	145	-6		-6
<b>Total Controllable Items</b>	<b>2,091</b>	<b>2,018</b>	<b>-73</b>	<b>-685</b>	<b>-688</b>	<b>-3</b>	<b>1,406</b>	<b>1,330</b>	<b>-76</b>		<b>-14</b>
Capital Charges	125	125	0	0	0	0	125	125	0		0
<b>Total Business and Economic Development</b>	<b>2,216</b>	<b>2,143</b>	<b>-73</b>	<b>-685</b>	<b>-688</b>	<b>-3</b>	<b>1,531</b>	<b>1,455</b>	<b>-76</b>		<b>-14</b>

## BUDGET MONITORING 2016/17 - FORECAST OUTTURN AS AT 31 JANUARY 2017

	Expenditure			Income			Total Net			Comments	Variance Nov 16 £000
	Budget	Forecast	Variance	Budget	Forecast	Variance	Budget	Forecast	Variance		
	£000	£000	£000	£000	£000	£000	£000	£000	£000		
<b>CONTROLLABLE ITEMS</b>											
Head of Commercial & Business Redesign	550	516	-34	-270	-259	11	280	257	-23		-33
ICT	5,213	5,363	150	-97	-97	0	5,116	5,266	150	There are supplies and services cost pressures relating to a number of new systems and enhancements largely in the areas of automated customer contacts and internet connectivity.	154
<b>Total Controllable Items</b>	<b>5,763</b>	<b>5,879</b>	<b>116</b>	<b>-367</b>	<b>-356</b>	<b>11</b>	<b>5,396</b>	<b>5,523</b>	<b>127</b>		<b>121</b>
Capital Charges	1,417	1,417	0	0	0	0	1,417	1,417	0		
<b>Total Commercial and Business Redesign</b>	<b>7,180</b>	<b>7,296</b>	<b>116</b>	<b>-367</b>	<b>-356</b>	<b>11</b>	<b>6,813</b>	<b>6,940</b>	<b>127</b>		<b>121</b>

## BUDGET MONITORING 2016/17 - FORECAST OUTTURN AS AT 31 JANUARY 2017

	Expenditure			Income			Total Net			Comments	Variance Nov 16 £000
	Budget	Forecast	Variance	Budget	Forecast	Variance	Budget	Forecast	Variance		
	£000	£000	£000	£000	£000	£000	£000	£000	£000		
<b>CONTROLLABLE ITEMS</b>											
Corporate Strategy Management	132	138	6	0	0	0	132	138	6		6
Policy, Performance & Research	920	887	-33	-249	-287	-38	671	600	-71	There is an increased level of vacancies	-45
Community and Voluntary Sector Liaison	569	603	34	0	-17	-17	569	586	17		23
Marketing	314	373	59	-177	-178	-1	137	195	58	The pressure relates to a historical shortfall in relation to an advertising income budget (£0.079m) which is currently under negotiation with Capita.	67
Elected Mayor and Executive Support	218	214	-4	0	-4	-4	218	210	-8		-8
Children's Participation & Advocacy	335	346	11	-116	-116	0	219	230	11		6
<b>Total Controllable Items</b>	<b>2,488</b>	<b>2,561</b>	<b>73</b>	<b>-542</b>	<b>-602</b>	<b>-60</b>	<b>1,946</b>	<b>1,959</b>	<b>13</b>		<b>49</b>
Capital Charges	0	0	0	0	0	0	0	0	0		
<b>Total Corporate Strategy</b>	<b>2,488</b>	<b>2,561</b>	<b>73</b>	<b>-542</b>	<b>-602</b>	<b>-60</b>	<b>1,946</b>	<b>1,959</b>	<b>13</b>		<b>49</b>

## BUDGET MONITORING 2016/17 - FORECAST OUTTURN AS AT 31 JANUARY 2017

	Expenditure			Income			Total Net			Comments	Variance Nov 16 £000
	Budget	Forecast	Variance	Budget	Forecast	Variance	Budget	Forecast	Variance		
	£000	£000	£000	£000	£000	£000	£000	£000	£000		
<b>CONTROLLABLE ITEMS</b>											
Finance Service	2,003	2,606	603	-101	-114	-13	1,902	2,492	590	There is a pressure relating to the previous Business Partnership Change Efficiency and Improvement target (£0.545m), which is an additional target above the savings already delivered by ENGIE through the partnership contract. Work continues to agree and develop the target savings. There is also a pressure in relation to costs for pensions backlog and information management.	596
Revenue & Benefits and Customer Services	81,271	75,506	-5,765	-79,563	-73,620	5,943	1,708	1,886	178	The overspend arises from the bad debt provision. The movement results from a reduction in the bad debt provision.	190
<b>TOTAL CONTROLLABLE ITEMS</b>	<b>83,274</b>	<b>78,112</b>	<b>-5,162</b>	<b>-79,664</b>	<b>-73,734</b>	<b>5,930</b>	<b>3,610</b>	<b>4,378</b>	<b>768</b>		<b>786</b>
Capital Charges	33	33	0	0	0	0	33	33	0		0
<b>TOTAL FINANCE</b>	<b>83,307</b>	<b>78,145</b>	<b>-5,162</b>	<b>-79,664</b>	<b>-73,734</b>	<b>5,930</b>	<b>3,643</b>	<b>4,411</b>	<b>768</b>		<b>786</b>

## BUDGET MONITORING 2016/17 - FORECAST OUTTURN AS AT 31 JANUARY 2017

	Expenditure			Income			Total Net			Comments	Variance Nov 16 £000
	Budget	Forecast	Variance	Budget	Forecast	Variance	Budget	Forecast	Variance		
	£000	£000	£000	£000	£000	£000	£000	£000	£000		
<b>CONTROLLABLE ITEMS</b>											
Human Resources & Organisational Development	2,288	2,503	215	-24	-79	-55	2,264	2,424	160	The pressures result from currently unfunded additional HR staff who are supporting transformation projects (£54k). There are also pressures from Maternity Cover £0.011m, staff transferring back to North Tyneside Council from ENGIE £0.039m, additional hours £0.034m, apprentices £0.009m and vacancies being below budgeted levels £0.030m	160
<b>Total Controllable Items</b>	<b>2,288</b>	<b>2,503</b>	<b>215</b>	<b>-24</b>	<b>-79</b>	<b>-55</b>	<b>2,264</b>	<b>2,424</b>	<b>160</b>		<b>160</b>
Capital Charges	0	0	0	0	0	0	0	0	0		0
<b>Total Human Resources &amp; Organisational Development</b>	<b>2,288</b>	<b>2,503</b>	<b>215</b>	<b>-24</b>	<b>-79</b>	<b>-55</b>	<b>2,264</b>	<b>2,424</b>	<b>160</b>		<b>160</b>

## BUDGET MONITORING 2016/17 - FORECAST OUTTURN AS AT 31 JANUARY 2017

	Expenditure			Income			Total Net			Comments	Variance Nov 16 £000
	Budget	Forecast	Variance	Budget	Forecast	Variance	Budget	Forecast	Variance		
	£000	£000	£000	£000	£000	£000	£000	£000	£000		
<b>CONTROLLABLE ITEMS</b>											
Governance	1,543	1,573	30	-163	-149	14	1,380	1,424	44		41
Legal Services	968	1,038	70	-259	-354	-95	709	684	-25		-35
Information Governance	40	91	51	0	0	0	40	91	51	Staffing pressures.	51
Statutory Services	1,399	1,372	-27	-536	-494	42	863	878	15	The savings target to remove the courier service is not being met along with pressures on land charges income. These are partially offset by savings on Coroner Services and Registrar Services.	20
<b>Total Controllable Items</b>	<b>3,950</b>	<b>4,074</b>	<b>124</b>	<b>-958</b>	<b>-997</b>	<b>-39</b>	<b>2,992</b>	<b>3,077</b>	<b>85</b>		<b>77</b>
Capital Charges	0	0	0	0	0	0	0	0	0		0
<b>Total Law &amp; Governance</b>	<b>3,950</b>	<b>4,074</b>	<b>124</b>	<b>-958</b>	<b>-997</b>	<b>-39</b>	<b>2,992</b>	<b>3,077</b>	<b>85</b>		<b>77</b>

## BUDGET MONITORING 2016/17 - FORECAST OUTTURN AS AT 31 JANUARY 2017

CONTROLLABLE ITEMS	Expenditure			Income			Total Net			Comments	Variance Nov 16 £000
	Budget £000	Forecast £000	Variance £000	Budget £000	Forecast £000	Variance £000	Budget £000	Forecast £000	Variance £000		
Corporate Parenting and Placements	15,919	18,989	3,070	-262	-971	-709	15,657	18,018	2,361	There is a pressure of £2.361m after the allocation of the contingency budget of £2m. This is further broken down to External Placements £0.357m, in-house fostering £0.190m, Independent Fostering £0.591m, Independent Living and Supported Residence for LAC £0.326m, Care Leavers Team £0.390m, Special Guardianship £0.158m, NTC Children's Homes £0.038m, Children and Adolescent Mental Health Services £0.182m, Preventative and Safeguarding Management staffing £0.305m and Social Work Staffing Teams £0.190m, offset by savings forecasted to be delivered in the remainder of the year of £0.135m, additional income generated from 'selling' adoptive families £0.081m, and additional funding from the Public Health grant of £0.150m. The forecast variance reflects an allocation of the £0.800m EDRMS efficiency target. The service has seen budget reductions of £0.886m under TOM11 in relation to CBF targets to reduce the number of looked after children within the system and an assumption has been made that these savings will be achieved. At January 2017, there were 16 external residential placements, and 29 placements with Independent Fostering Agencies.	1,942
Early Help and Vulnerable Families	5,444	5,591	147	-3,687	-3,746	-59	1,757	1,845	88	The service has experienced budget reductions in 2016/17 of £1.055m in relation to CBF savings in TOM06. There is however a risk that, due to the decision for Children's Centres to remain open during 2016/17, there may be a shortfall in achieving CBF savings to the value of £0.139m. The service is working hard to find alternative ways to meet this remaining target. This pressure has been partially offset by additional grant funding of £0.095m, following confirmation of the Youth Justice Board Grant allocation. The forecast variance reflects an allocation of the £0.800m EDRMS efficiency target.	85



## BUDGET MONITORING 2016/17 - FORECAST OUTTURN AS AT 31 JANUARY 2017

CONTROLLABLE ITEMS	Expenditure			Income			Total Net			Comments	Variance Nov 16 £000
	Budget £000	Forecast £000	Variance £000	Budget £000	Forecast £000	Variance £000	Budget £000	Forecast £000	Variance £000		
Employment and Skills	4,842	4,584	-258	-4,194	-3,822	372	648	762	114	Many services have historically been funded by specific individual grants, mainly from the Department for Education and it was appropriate to ensure that these grants made a contribution to service overheads. There is a residual income expectation of £0.164m relating to these contributions. This pressure has been partly offset by a reduction in a regional hub contract payment of £0.027m. Options are currently being explored around re-negotiation of SLAs with schools and any resulting staffing restructures. CBF savings of £250k under TOM12 have been met in this service area. Movement from November to January relates to increased income generation	139
Integrated Disability and Additional Needs Service	3,303	3,707	404	-1,012	-1,145	-133	2,291	2,562	271	There is a £0.079m forecast staffing pressure, £0.118m pressure on service user packages and £0.074m income target shortfall. The improvement in position relates to additional health income agreed for a child with complex needs (£0.168m).	438
School Improvement	13,176	13,024	-152	-13,163	-13,133	30	13	-109	-122	The savings in this area primarily relate to staffing, offset by £0.050m pressure on Education ICT	-109
Wellbeing, Governance & Transformation	16,975	17,012	37	-15,859	-16,053	-194	1,116	959	-157	This area includes central management, administration and business transformation functions including the Care and Connect service. The under spend is mainly within the Planning and Business Transformation cost centre.	-138

## BUDGET MONITORING 2016/17 - FORECAST OUTTURN AS AT 31 JANUARY 2017

CONTROLLABLE ITEMS	Expenditure			Income			Total Net			Comments	Variance Nov 16 £000
	Budget £000	Forecast £000	Variance £000	Budget £000	Forecast £000	Variance £000	Budget £000	Forecast £000	Variance £000		
Learning Disability and Mental Health Services	27,137	30,548	3,411	-8,797	-8,322	475	18,340	22,226	3,886	<p>This area includes all externally commissioned services for adults under 65 years with a learning disability or mental health need. It also includes the specialist care management teams. The service continues to face demand led pressure within Learning Disabilities and services for people with Autism with new placements arising in 2015/16 and 2016/17 totalling £1.7m. The new placements are for young people transitioning into adult services and for adults who may have been previously living with parents or other unpaid carers. They also include new services required for people coming out into the community after a long stay in hospital.</p> <p>The service has also been significantly affected by care fee increases estimated at £1.900m as a result of the introduction of the National Living Wage. There is a smaller additional pressure relating an increased forecast around Deprivation of Liberty costs of £0.111m as referrals continue to increase. CBF savings targets of £2.450m have been allocated to this service area under TOM04, TOM09 and TOM10. Plans to achieve these targets are progressing and the service is confident that the savings will be delivered by the end of the financial year. Contingency budgets of £1.000m for Learning Disability growth and £0.500m relating to National Living Wage pressures have been applied to this service area.</p>	3,884

## BUDGET MONITORING 2016/17 - FORECAST OUTTURN AS AT 31 JANUARY 2017

CONTROLLABLE ITEMS	Expenditure			Income			Total Net			Comments	Variance Nov 16 £000
	Budget £000	Forecast £000	Variance £000	Budget £000	Forecast £000	Variance £000	Budget £000	Forecast £000	Variance £000		
Older People and Physical Disability Services	36,416	40,053	3,637	-18,229	-20,260	-2,031	18,187	19,793	1,606	This service area includes all externally commissioned services for adults 65 years and over and for adults under 65 years who have a physical or sensory disability. It also includes Care Coordination, Support Planning & Brokerage and the hospital based Reablement Discharge Team. This service area has been impacted by care fee increases as a result of the National Living Wage with an estimated additional cost of £1.700m. Contingency budget of £0.500m has been applied against this pressure. There have also been reductions in CCG income totalling £0.382m.  CBF savings of £1.175m have been allocated to this service area under TOM04 and TOM09. There is significant concern about an income target of £0.900m in relation to the management of continuing healthcare on behalf of the CCG. The movement from November is mainly due to potential additional costs as a result of fee increases.	1,259
Integrated Services	10,047	9,869	-178	-7,796	-7,458	338	2,251	2,411	160	This service area includes the in-house Reablement Support Team, Cedars, Loan Equipment and Adaptations, Transport, Carecall and in-house Learning Disability services. There are pressures in Loan Equipment and Adaptations of £0.470m and a shortfall of CCG income of £0.100m. These pressures are partially offset by staffing savings across the service area. CBF targets of £1.133m have been applied under TOM04, TOM05, TOM09 and TOM10. A proposal to reduce Better Care Fund income in this service area by £0.389m has also been taken into account. The movement from the November position is due to a reduced staffing forecast as a significant restructure is finalised.	183

## BUDGET MONITORING 2016/17 - FORECAST OUTTURN AS AT 31 JANUARY 2017

CONTROLLABLE ITEMS	Expenditure			Income			Total Net			Comments	Variance Nov 16 £000
	Budget £000	Forecast £000	Variance £000	Budget £000	Forecast £000	Variance £000	Budget £000	Forecast £000	Variance £000		
Gateway	3,949	4,019	70	-556	-990	-434	3,393	3,029	-364	This service area includes the Gateway service and former supporting people contracts. The position relates to the remainder of the one off carry forward of grant funding from 2015/16 which is supporting pressures across Health, Education Care and Safeguarding.	-371
Safeguarding Adults	368	371	3	-24	-40	-16	344	331	-13		-9
Public Health	12,996	12,996	0	-13,080	-13,080	0	-84	-84	0		0
<b>Total Controllable Items</b>	<b>150,572</b>	<b>160,763</b>	<b>10,191</b>	<b>-86,659</b>	<b>-89,020</b>	<b>-2,361</b>	<b>63,913</b>	<b>71,743</b>	<b>7,830</b>		<b>7,303</b>
Capital Charges	1,011	1,011	0	0	0	0	1,011	1,011	0		0
<b>TOTAL HEALTH, EDUCATION, CARE AND SAFEGUARDING</b>	<b>151,583</b>	<b>161,774</b>	<b>10,191</b>	<b>-86,659</b>	<b>-89,020</b>	<b>-2,361</b>	<b>64,924</b>	<b>72,754</b>	<b>7,830</b>	0	<b>7,303</b>

BUDGET MONITORING 2016/17 - FORECAST OUTTURN AS AT 31 JANUARY 2017

CONTROLLABLE ITEMS	Expenditure			Income			Total Net			Comments	Variance Nov 16 £000
	Budget £000	Forecast £000	Variance £000	Budget £000	Forecast £000	Variance £000	Budget £000	Forecast £000	Variance £000		
School Funding & statutory staff costs	132,442	132,478	36	-130,109	-130,109	0	2,333	2,369	36		0
Commissioning Service	1,348	1,507	159	-601	-704	-103	747	803	56	Staffing pressures	56
Child Protection independent assurance and review	721	751	30	-37	-67	-30	684	684	0		20
Facilities and Fair Access	10,341	10,931	590	-11,454	-11,853	-399	-1,113	-922	191	£0.120m pressure relates to Home to School Transport. Work is ongoing to restructure routes to reduce costs in addition to exploring alternative ways to deliver these services. Cleaning Services have transferred to this Service Area from Property with effect from August 2016 bringing a pressure of £0.091m. These pressures are offset by a small saving of £0.020 on Catering Service.	253
Strategic Property and Investment	5,351	5,379	28	-4,953	-4,981	-28	398	398	0		0
High needs Special Educational Needs	17,737	17,737	0	-17,737	-17,737	0	0	0	0		0
Property	7,148	8,271	1,123	-2,717	-3,661	-944	4,431	4,610	179	The majority of property related pressures are linked to operational buildings (rentals) with a smaller element linked to Commercial Estate. The Authority is currently in negotiation with Capita to determine how these risks will be managed moving forward.	179

## BUDGET MONITORING 2016/17 - FORECAST OUTTURN AS AT 31 JANUARY 2017

CONTROLLABLE ITEMS	Expenditure			Income			Total Net			Comments	Variance Nov 16 £000
	Budget £000	Forecast £000	Variance £000	Budget £000	Forecast £000	Variance £000	Budget £000	Forecast £000	Variance £000		
Commissioning & Investment Management & support	134	134	0	0	0	0	134	134	0		0
Internal Audit & Risk	572	598	26	-95	-121	-26	477	477	0		0
Procurement	421	441	20	-158	-104	54	263	337	74	Pressure relates to forecast shortfall on Procurement Rebate income	74
<b>TOTAL CONTROLLABLE ITEMS</b>	<b>176,215</b>	<b>178,227</b>	<b>2,012</b>	<b>-167,861</b>	<b>-169,337</b>	<b>-1,476</b>	<b>8,354</b>	<b>8,890</b>	<b>536</b>		<b>582</b>
Capital Charges	14,106	14,106	0	0	0	0	14,106	14,106	0		0
<b>TOTAL COMMISSIONING &amp; INVESTMENT</b>	<b>190,321</b>	<b>192,333</b>	<b>2,012</b>	<b>-167,861</b>	<b>-169,337</b>	<b>-1,476</b>	<b>22,460</b>	<b>22,996</b>	<b>536</b>		<b>582</b>

BUDGET MONITORING 2016/17 - FORECAST OUTTURN AS AT 31 JANUARY 2017

	Expenditure			Income			Total Net			Comments	Variance Nov 16 £000
	Budget £000	Actual £000	Variance £000	Budget £000	Actual £000	Variance £000	Budget £000	Actual £000	Variance £000		
<b>Environment, Housing and Leisure</b>											
Sport & Leisure	7,545	8,066	521	-5,795	-6,035	-240	1,750	2,031	281	Pressures on energy and rates budgets across a range of premises have now been reflected in operational budgets (£0.085m). The forecast variance also reflects the allocation of the £0.800m EDRMS efficiency target. The variance change from November reflects higher employee costs than previously forecast across the Indoor Facilities and in Sports Development mainly due to cover for staff sickness.	230
Arts Tourism & Heritage	1,443	1,918	475	-396	-770	-374	1,047	1,148	101	The forecast variance reflects income pressure on Mouth of the Tyne Festival (£0.055m). Utility and operator inflation cost pressures and reduced income around the Playhouse theatre are also ongoing (£0.058m). The variance change from November reflects lower expenditure being incurred in relation to Museums.	120
Libraries & Community Centres	7,533	7,969	436	-2,486	-2,503	-17	5,047	5,466	419	The forecast variance reflects cost pressures around; Building Cleaning (£0.065m) & Libraries Telephones/ICT/Computer Costs (£0.073m), as well as energy and rates pressures (£0.058m), PFI Contract pressures (£0.085m) and other Employee/operational expenditure related pressures across the service (£0.138m). The change in variance from November reflects increased employee and operational costs being incurred. The forecast variance also reflects the allocation of the £0.800m EDRMS efficiency target.	363
Security & Community Safety	932	933	1	-809	-686	123	123	247	124	Security related pressures around expenditure (CCTV lines; £0.015m and underachievement of income £0.119m) are forecast. Various minor underspends across Security and Community Safety are envisaged totalling £0.010m which slightly mitigates the pressure. The forecast variance change from the last outturn reflects increased income generation forecast (£0.022m). The forecast variance also reflects the allocation of the £0.800m EDRMS efficiency target.	146

## BUDGET MONITORING 2016/17 - FORECAST OUTTURN AS AT 31 JANUARY 2017

	Expenditure			Income			Total Net			Comments	Variance Nov 16 £000
	Budget £000	Actual £000	Variance £000	Budget £000	Actual £000	Variance £000	Budget £000	Actual £000	Variance £000		
Fleet/Facilities Management	3,298	2,912	-386	-3,889	-4,058	-169	-591	-1,146	-555	The Transport Account is forecasting a surplus, which reflects reduced vehicle maintenance expenditure in conjunction with the Capital programme of replacement vehicles. The variance change reflects increased income being realised.	-487
Waste Strategy	11,437	12,093	656	-1,644	-2,193	-549	9,793	9,900	107	The service is now forecasting an increase in the net pressure, arising from higher forecast costs around Waste Disposal (landfill tax & household recycling)	70
Bereavement	1,269	1,266	-3	-2,108	-2,031	77	-839	-765	74	The Bereavement Service is now forecast to show a net pressure, due to the underachievement of a challenging Cremation income target. The variance change from the last period reflects a significant reduction in cremation income, with the forecast number of cremations expected to be similar to 2013/14 levels.	-47
Street Environment	9,102	9,207	105	-1,559	-1,774	-215	7,543	7,433	-110	The service is forecasting a net under spend, associated with lower fuel and transport related expenditure and the management of vacancies across the service. This position includes the delivery of TOM08. The forecast variance also reflects the allocation of the £0.800m EDRMS efficiency target. The variance change from the last period reflects lower forecast expenditure around non pay expenditure across the service.	-80
Head of Service and Resilience	281	296	15	-185	-177	8	96	119	23		10
Street Lighting PFI	5,124	5,755	631	-1,701	-1,776	-75	3,423	3,979	556	The reported variance figure reflects forecast cost pressures (Third Party costs) within the Streetlighting Contract. Disputed charges and costs previously assumed to be owed to SSE are close to being resolved, resulting in lower costs being incurred by the Council (a reduced pressure at £0.229m) and also lower anticipated energy cost pressures within the service area (£0.327m).	701
Consumer Protection & Building Control	2,474	2,456	-18	-1,576	-1,547	29	898	909	11		-10



## BUDGET MONITORING 2016/17 - FORECAST OUTTURN AS AT 31 JANUARY 2017

	Expenditure			Income			Total Net			Comments	Variance Nov 16 £000
	Budget £000	Actual £000	Variance £000	Budget £000	Actual £000	Variance £000	Budget £000	Actual £000	Variance £000		
Transport and Highways	5,203	5,392	189	-4,399	-4,849	-450	804	543	-261	The under-spend is due to an over achievement in income across On Street Parking, Off Street Parking and Fixed Penalty Notices	-247
Planning	1,085	1,044	-41	-761	-693	68	324	351	27	Pressure is due to reduced income for planning applications, however, this has improved over the last 2 months with some large scale applications being submitted	167
General Fund Housing	1,272	1,784	512	-232	-759	-527	1,040	1,025	-15		-17
<b>Total Controllable Items</b>	<b>57,998</b>	<b>61,091</b>	<b>3,093</b>	<b>-27,540</b>	<b>-29,851</b>	<b>-2,311</b>	<b>30,458</b>	<b>31,240</b>	<b>782</b>		<b>919</b>
<b>Total Environment, Housing and Leisure</b>	<b>69,181</b>	<b>72,274</b>	<b>3,093</b>	<b>-27,996</b>	<b>-30,307</b>	<b>-2,311</b>	<b>41,185</b>	<b>41,967</b>	<b>782</b>		<b>919</b>

## BUDGET MONITORING 2016/17 - FORECAST OUTTURN AS AT 31 JANUARY 2017

CONTROLLABLE ITEMS	Expenditure			Income			Total Net			Comments	Variance Nov 16 £000
	Budget £000	Forecast £000	Variance £000	Budget £000	Forecast £000	Variance £000	Budget £000	Forecast £000	Variance £000		
Corporate and Democratic Core	12,368	12,305	-63	-916	-991	-75	11,452	11,314	-138	Saving relates to Net underspend on pension fund contribution	-92
Other Central Items - Corporate Accounting, Contingencies and Levies	7,253	2,317	-4,936	-11,293	-11,508	-215	-4,040	-9,191	-5,151	<p><b>Savings relating to:</b></p> <ul style="list-style-type: none"> <li>• £0.769m credit on MRP due to re-programming of 2015/16 capital spend</li> <li>• £5.080m credit on interest charges, this reflects 2015/16 re-programming, the level of temporary borrowing currently held and the continuation of internal borrowing. This is after delivery of TOM13.</li> <li>• £0.702m unallocated contingency</li> <li>• £0.250m Kier Dividend</li> <li>• £0.166m Service Development</li> </ul> <p><b>Pressures relating to:</b></p> <ul style="list-style-type: none"> <li>• £1.640m unachieved CBF targets in relation to TOM01, management savings, local ownership and cross cutting income</li> <li>• £0.020m Equal Pay</li> <li>• £0.056m Increased contribution to NECA and Payment to Sunderland re: NE Culture Partnership</li> <li>• £0.100m Provision for Bad Debt</li> </ul> <p><b>Movement from November to January relates to £0.942m additional credit on interest charges, £0.250m Kier dividend and £0.166m savings on Service Development.</b></p>	-3,793
<b>Total Controllable Items</b>	<b>19,621</b>	<b>14,622</b>	<b>-4,999</b>	<b>-12,209</b>	<b>-12,499</b>	<b>-290</b>	<b>7,412</b>	<b>2,123</b>	<b>-5,289</b>		<b>-3,885</b>
Capital Charges	0	0	0	0	0	0	0	0	0		0
<b>TOTAL CORPORATE AND DEMOCRATIC CORE</b>	<b>19,621</b>	<b>14,622</b>	<b>-4,999</b>	<b>-12,209</b>	<b>-12,499</b>	<b>-290</b>	<b>7,412</b>	<b>2,123</b>	<b>-5,289</b>		<b>-3,885</b>

## BUDGET MONITORING 2016/17 - FORECAST OUTTURN AS AT 31 JANUARY 2017

	FULL YEAR - 2016/17			Comments	Variance
	Forecast Outturn		Variance £000		Nov 2016
	Full Year Budget £000	Actual £000			£000
<b>INCOME</b>					
Rental Income - Dwellings, Direct Access Units & Garages	-60,066	-60,663	-597	Forecasting continued improvement in budget position on general needs and temporary accommodation rental income (£0.281m), reflecting a number of factors including new build sales completions in 2016-17 countering overall RTB sales. Service charge income also projecting significantly better than budget overall (£0.270m), with garage rents showing a small reduction in projected income against budget overall (£0.008m)	-488
Other Rental Income - Shops & Offices etc.	-242	-261	-19		-14
Interest on Balances	-30	-40	-10		-10
PFI Credits	-7,693	-7,693	0		0
	<b>-68,031</b>	<b>-68,657</b>	<b>-626</b>		<b>-512</b>
<b>EXPENDITURE</b>					
Capital Charges - Net Effect	13,570	13,020	-550	Projecting interest savings again due to current Treasury Management Strategy of utilising low temporary interest rates, and undertaking any long-term re-financing as late in the financial year as possible. Plus additional debt set aside realised in 2015-16 due to level of RTB sales, when added to 2016-17 budgeted set aside means first loan maturity of circa £5.400m will not need re-financing at all, saving over an estimated £0.100m in interest charges per annum alone.	-550
HRA Management Costs	10,133	10,194	61	Variance due mainly to increased Council Tax void costs forecast due to the timescale for delivery of the North Tyneside Living project (£0.059m) and a sharp rise in legal costs linked to disrepair claims (£0.080m). Improvement from November of £0.196m relates mainly to a significant reduction in anticipated energy costs linked to North Tyneside Living schemes, linked to vacancies and buildings still coming onstream (£0.156m), along with reduced costs linked to maintenance of LD block at Purley Close, Consultancy Costs (£0.040m) and additional miscellaneous income and staff vacancies. Across service various other small over and underspends linked to delays filling vacancies, or other anticipated additional costs result in the overall forecast.	257
PFI Contract Costs	9,509	9,509	0		0
Repairs	11,481	11,476	-5		2
Revenue Support to Capital Programme	5,909	5,909	0		0
Contribution to Housebuilding Fund	1,071	1,071	0		0
Contribution to Major Repairs Reserve - Depreciation	15,171	15,171	0		0
Contingencies, Bad debt Provision & Transitional Protection Payments	1,017	787	-230	Now forecasting that contingency provision will not all be required in-year, along with likely reduced call on Bad Debt Provision in-year due to delays in welfare reform roll-out, and Transitional Rent Protection not all being required in-year due to North Tyneside Living delays in completion and hence filling tenancies.	-120
Pension Fund Deficit Funding	855	855	0		0
	<b>68,717</b>	<b>67,992</b>	<b>-724</b>		<b>-412</b>
	<b>686</b>	<b>-664</b>	<b>-1,350</b>		<b>-924</b>
<b>BALANCES BROUGHT FORWARD</b>	<b>-3,601</b>	<b>-4,388</b>	<b>-787</b>		<b>-787</b>
<b>BALANCES TO CARRY FORWARD</b>	<b>-2,915</b>	<b>-5,053</b>	<b>-2,137</b>		<b>-1,711</b>

## 2016 - 2019 INVESTMENT PLAN - VARIATIONS TO BE REPORTED TO 13TH MARCH 2017 CABINET

	2016/17 £000	2017/18 £000	2018/19 £000	Total £000
Revised Budget to be agreed at 13th March 2017 Cabinet	74,236	89,361	42,110	205,707
Budget agreed at 16 January 2017 Cabinet	73,868	89,361	42,110	205,339
Variations	368	0	0	368

**Variations**

Housing & Technology for People with Learning				
CO073 Disabilities - Assitive Technology Element	238	0	0	238
HS044 HRA New Build - Housing & Technology Fund	130	0	0	130
ED075 Devolved Formula Capital	70	0	0	70
ED120 Basic Need	-70	0	0	-70
GEN03 Contingencies	-122	0	0	-122
IT024 EDRMs	-144	0	0	-144
IT020 ICT Strategy	-100	0	0	-100
IT026 ICT Citizen Interaction and Self Service	366	0	0	366
	368	0	0	368
<u>Summary</u>				
Reprogramming	0	0	0	0
Variations	368	0	0	368
	368	0	0	368

Project Ref	Project Title	2016/17 £000's	2017/18 £000's	2018/19 £000's	Total £000's	Funding Source	£000's
	<b>GENERAL FUND</b>						
	<b>Great Place to live, work and visit</b>						
BS026	Asset Planned Maintenance programme	1,755	1,500	1,500	4,755	Council Contribution	4,755
BS028	Wallsend Customer First Centre - Changing Places Facility	61	0	0	61	Council Contribution	61
CO061	Excellent Parks - Churchill and Souter Park	187	0	0	187	Council Contribution	187
CO062	Contact Centre Automation Project	39	0	0	39	Council Contribution	39
CO067	Weekly Waste Grant	62	0	0	62	Weekly Waste Grant	62
DV051	Carbon Emissions and Energy	15	0	0	15	Council Contribution	15
DV053	Safer Stronger Communities Fund	75	0	0	75	Local Public Services (LPSA) Local Area Agreement (LAA)	58 17
DV054	Coastal Regeneration	6,475	9,755	1,000	17,230	Council Contribution Coastal Communities Grant Heritage Lottery Fund Grant (HLF) Growth Fund	11,532 2,112 3,579 7
DV058	Swan Hunters Redevelopment	3,306	9,750	0	13,056	Council Contribution Single Local Growth Fund (SLGF) Homes and Communities Agency (HCA) Growing Places Fund (GPF)	5,121 7,831 85 19
DV059	Pilot investment fund to tackle empty properties	145	0	0	145	Council Contribution	145
DV060	Rosehill Regeneration	212			212	Council Contribution	212
DV061	Northumberland Square Townscape Heritage Initiative	0	0	0	0	Heritage Lottery Fund grant (HLF) Council Contribution	0 0
DV062	St Mary's Lighthouse and Visitor Centre	0	786	1,582	2,368	Heritage Lottery Fund grant (HLF) Council Contribution	2,131 237
EV034	Local Transport Plan	3,410	4,024	1,817	9,251	Local Transport Plan (LTP) Grant Public Transport Element LTP - Incentive Grant LTP - Pothole Fund	8,959 28 126 138
EV054	Central Promenade Reconstruction Scheme	250	3,700	0	3,950	Council Contribution Environment Agency Grant Northumbrian Water Ltd	1,930 1,120 900
EV055	Surface Water Management Improvements	2,634	1,288	0	3,922	Council Contribution Environment Agency Grant	1,687 2,235
EV056	Additional Highways Maintenance	2,007	2,000	2,000	6,007	Council Contribution	6,007
EV073	A1058 Coast Road Improvements to junctions	3,730	1,968	0	5,698	NELEP Growth Deal Council Contribution	5,481 217
EV077	A1056/A189 Weetslade junction imps	3,857	480	0	4,337	NELEP Growth Deal Section 278	3,857 480
EV078	A19 Employment Corridor access imps	1,661	3,177	0	4,838	NELEP Growth Deal Section 106	4,431 407
EV079	A191 junction improvements (Coach Lane and Tyneview Park)	1,472	0	0	1,472	NELEP Growth Deal Section 106	1,272 200
EV080	Coast Road Cycle Route	1,391	0	0	1,391	Cycle City Ambition Fund	1,391
EV081	Cobalt Cycle Scheme	583	0	0	583	Local Sustainable Transport Fund	583
GEN12	Local infrastructure projects	149	100	100	349	Council Contribution	349
HS046	Housing Private Landlord Refurbishment	159	0	0	159	Homes and Communities Agency (HCA) Revenue Contribution	47 112
HS047	Trading Company Affordable Homes Project	1,380	0	0	1,380	Section 106	1,380
HS049	Northumberland Square	280	2,000	0	2,280	Council contribution	2,280
DV063	Coastal Properties - Whiskey Bends & The Avenue	220	0	0	220	Council contribution	220
	<b>Total Great Place to live, work and visit</b>	<b>35,515</b>	<b>40,528</b>	<b>7,999</b>	<b>84,042</b>		<b>84,042</b>
	<b>Cared for, Safeguarding and Healthy</b>						
CO064	Community Capacity (Adult Social Care)	706	1,000	0	1,706	Department of Health Grant Better Care Fund	1,161 545

Project Ref	Project Title	2016/17 £000's	2017/18 £000's	2018/19 £000's	Total £000's	Funding Source	£000's
CO067	Autism Innovation Capital Grant	0	0	0	0	Department of Health Grant	0
CO073	Housing & Technology for People with Learning Disabilities - Assitive Technology Element	238	0	0	238	Department of Health Grant	238
HS003	Private Sector Homes Renovation	0	605	200	805	Council Contribution	805
HS004	Disabled Facility Grants	1,307	1,517	1,517	4,341	Council Contribution Better Care Fund	420 3,921
HS036	North Tyneside Warm Zone	100	42	0	142	Council Contribution	142
<b>Total Cared for, Safeguarding and Healthy</b>		<b>2,351</b>	<b>3,164</b>	<b>1,717</b>	<b>7,232</b>		<b>7,232</b>
<b>Corporate and Enabling</b>							
EV069	Vehicle Replacement	2,353	950	500	3,803	Council Contribution	3,803
EV076	Depot rationalisation	1,200	7,623	5,252	14,075	Council contribution	14,075
GEN03	Contingency Provision	78	1,080	500	1,658	Council Contribution Department of Health Grant	1,656 2
IT020	ICT Strategy	1,059	1,300	1,000	3,359	Council Contribution	3,359
IT021	Customer Relationship Management	0	0	0	0	Council Contribution	0
IT024	EDRMS	487	0	0	487	Council Contribution	487
IT025	BDUK (Broadband)	467	34	75	576	Council contribution	576
IT026	ICT citizen interaction and self serve	1,933	1,800	0	3,733	Council contribution	3,733
<b>Total Corporate and Enabling</b>		<b>7,577</b>	<b>12,787</b>	<b>7,327</b>	<b>27,691</b>		<b>27,691</b>
<b>Ready for School and Work</b>							
ED075	Devolved Formula Capital	1,135	589	0	1,724	Education Funding Agency Council Contribution	1,248 476
ED120	Basic Need	333	167	0	500	Education Funding Agency	500
ED132	School Capital Allocation	3,853	3,612	0	7,465	Education Funding Agency Council contribution	7,445 20
ED166	Primary Capital Strategy (Longbenton VA)	0	0	0	0	Contribution from Diocesan Authority	0
ED186	Backworth Park Primary - relocation and expansion	74	2,942	1,701	4,717	Section 106 Basic Need Grant Council Contribution	4,552 165 0
<b>Total Ready for School and Work</b>		<b>5,395</b>	<b>7,310</b>	<b>1,701</b>	<b>14,406</b>		<b>14,406</b>
<b>TOTAL: GENERAL FUND</b>		<b>50,838</b>	<b>63,789</b>	<b>18,744</b>	<b>133,371</b>		<b>133,371</b>
<b>HOUSING</b>							
<b>Great Place to live, work and visit</b>							
HS015	Refurbishment / Decent Homes	18,265	17,580	19,430	55,275	Revenue Contribution	15,782
HS017	Disabled Adaptations (HRA)	1,089	1,020	1,030	3,139	Capital Receipts	6,322
HS039	ICT Infrastructure Works	102	285	288	675	Major Repairs Reserve (MRR)	44,558
HS041	Housing PFI Costs	1,384	450	0	1,834	House Building Fund	4,692
HS044	HRA New build	2,558	6,237	2,618	11,413	Government grants	982
<b>Total: HOUSING</b>		<b>23,398</b>	<b>25,572</b>	<b>23,366</b>	<b>72,336</b>		<b>72,336</b>
<b>TOTAL INVESTMENT PLAN</b>		<b>74,236</b>	<b>89,361</b>	<b>42,110</b>	<b>205,707</b>		<b>205,707</b>
		0	0	0	0		0

<b>GENERAL FUND</b>				
Council contribution	20,068	32,396	10,983	63,447
Capital Receipts	523	0	380	903
Revenue Contribution	112	0	0	112
Grants & Contributions	30,135	31,393	7,381	68,909
	<b>50,838</b>	<b>63,789</b>	<b>18,744</b>	<b>133,371</b>
<b>HOUSING</b>				
Capital Receipts	1,003	2,573	2,746	6,322
Revenue Contribution	5,909	4,593	5,280	15,782
Contribution from Reserves (House Building Fund)	1,134	3,558	0	4,692
Government grants	982	0	0	982
Major Repairs Reserve	14,370	14,848	15,340	44,558
	<b>23,398</b>	<b>25,572</b>	<b>23,366</b>	<b>72,336</b>
	<b>74,236</b>	<b>89,361</b>	<b>42,110</b>	<b>205,707</b>
	0	0	0	0
	0	0	0	0

Grant Paying Body	Name of Grant	Purpose of Grant	2016/17 Allocation (£000)	Date of Approval eg Cabinet / Section 151 Officer etc
<b>Health, Education Care and Safeguarding</b>				
The Wise Group	Building Better Opportunities for Tyne & Wear	Intensive Programme to support unemployed adults in Tyne & Wear with multiple barriers gain access to employment	6	Dec 16
<b>Law and Governance</b>				
Law and Governance	Property Searches new burdens grant	This is a one off payment to reflect cost burdens relating to the land charge legal settlement.	10	Dec 16
<b>GENERAL FUND REVENUE</b>			<b>16</b>	

# Glossary of Terms

Accounts Payable	The computerised system used to pay money to an outside body for goods and services received.
Accrual	The recording of transactions when they take place not when payment is made.
Actual	The cost of a unit, item or service.
Budget	A plan of expected expenditure and income over a set period of time for example the Council's revenue budget covers a financial year.
Budget Holder	A nominated officer in a Service who has responsibility for the control and monitoring of a particular budget.
Budget Manager	A nominated officer in a Service who has responsibility for the control and monitoring of the budgets within a service area.
Budget Monitoring	The analysis and reporting of expenditure/ income against budget. Budget monitoring is carried out by Budget Holders and by the Finance Service on a monthly basis.
Budgetary Control	The use of budget monitoring information to manage the budget and bring spend in on target for the year.
Capital Financing Requirement (CFR)	The amount the Council needs to borrow in order to deliver its Capital Expenditure plans.
CBF	Creating a Brighter Future Programme.
CLG	Department for Communities and Local Government.
Cost Centre	A code created in General Ledger to record expenditure and income for a particular activity. For example a library a school.
Consumer Price Index (CPI)	The index designed as a macro-economic measure of consumer price inflation. The official measure is calculated each month by



## APPENDIX P

	taking a sample of goods and services that a typical household might buy, including food, heating, household goods and travel costs. It forms the basis for the Government's inflation target which the Bank of England's Monetary Policy Committee is required to achieve.
Credit Rating	This is a scoring system that lenders issue people with to determine how credit worthy they are.
DfE	Department for Education.
DWP	Department for Work and Pensions.
Fees and Charges	Income arising from the provision of a service.
Financial Regulations	Rules which set out the financial policies of the Council and help to ensure that the assets of the Authority are protected and properly deployed.
Financial Year	1 April to 31 March.
Forecast Out-turn	A prediction of the final income and expenditure based at the year end.
General Ledger (GL)	The prime financial record for the Authority. The General Ledger records all the expenditure incurred and all the income generated by the Council.
IFRS	International Financial Reporting Standards.
Journal Transfer	A journal transfer is used to correct miscoded transactions or to allocate costs/income within or across Directorates.
LGPS	Local Government Pension Scheme.
Long term	A period of one year or more.
Maturity	The date when an investment is repaid or the period covered by a fixed term investment.
Non essential spend	Any expenditure that is not for "life or limb" services.
Outturn	The final expenditure and income position on

## APPENDIX P

	a cost centre at year-end.
PFI	Private Finance Initiative.
Profiling	A method by which budgets are profiled to reflect patterns of spend.
Projections	A forecast of expenditure and income to the year-end based on known commitments and trends.
Prudential Borrowing	See Unsupported Borrowing
Public Works Loan Board (PWLB)	Part of the Government's Debt Management Office, making long-term funds available to local authorities on prescribed terms and conditions. The PWLB is normally the cheapest source of long-term borrowing for local authorities.
Revenue Expenditure	Expenditure on the day-to-day running costs of a service for example employees or transport.
Reprogramming	Refers to changes to the timing of projects in the Investment Plan between years
Service Area	Groups of related cost centres.
Short-term	A period of less than one year.
SLT	Senior Leadership Team.
Subjective	A subjective shows the type of expenditure incurred for example employees. A subjective can be used to record the type of income generated, for example rent and fees.
Supported Borrowing	This is borrowing to fund expenditure in the capital plan where the annual financing costs of such borrowing is supported by government through formula grant. No new supported borrowing has been awarded since 2009/10.
Suspense Account	A cost centre used when costs or income are not readily identifiable. The account is used temporarily until additional information on the transaction can be found.

## APPENDIX P

Unsupported Borrowing	This relates to borrowing to fund expenditure where the annual financing costs have to be met from the Council's own revenue resources. This is also known as Prudential borrowing.
Variance	The difference between budgeted expenditure and income compared to actual expenditure and income.
Virement	A transfer of budgets from one area of the budget to another.